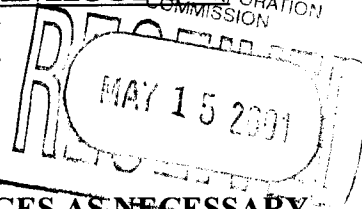


5-15-01  
am

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**



ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

E

W-01906A WATER  
BOB B. WATKINS DBA EAST SLOPE WATER COMPANY  
PO BOX 5185  
SIERRA VISTA AZ 85636-5185

**ANNUAL REPORT**

**FOR YEAR ENDING**

12	31	2000
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FOR COMMISSION USE

ANN 04	00
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## COMPANY INFORMATION

Company Name (Business Name) EAST SLOPE WATER CO

Mailing Address 301 N GARDEN AVE  
(Street)

SIERRA VISTA  
(City)

AZ  
(State)

85635  
(Zip)

520-458-3209  
Telephone No. (Include Area Code)

520-439-9717  
Fax No. (Include Area Code)

520-940-0097  
Pager/Cell No. (Include Area Code)

Email Address nfw@theriver.com

Local Office Mailing Address SAME  
(Street)

(City)

(State)

(Zip)

Local Office Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address \_\_\_\_\_

## MANAGEMENT INFORMATION

Management Contact: NATHAN WATKINS  
(Name)

Manager  
(Title)

301 N GARDEN  
(Street)

SIERRA VISTA  
(City)

AZ  
(State)

85635  
(Zip)

520-458-3209  
Telephone No. (Include Area Code)

520-439-9717  
Fax No. (Include Area Code)

520-940-0097  
Pager/Cell No. (Include Area Code)

Email Address nfw@theriver.com

On Site Manager: SAME  
(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address \_\_\_\_\_

**Statutory Agent:** BOB WATKINS

(Name)

301 N GARDEN AVE

(Street)

SIERRA VISTA

(City)

AZ

(State)

85635

(Zip)

520-458-4388

Telephone No. (Include Area Code)

520-459-7603

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Attorney:** N/A

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

### OWNERSHIP INFORMATION

Check the following box that applies to your company:

☒ **Sole Proprietor (S)**

☐ **C Corporation (C) (Other than Association/Co-op)**

☐ **Partnership (P)**

☐ **Subchapter S Corporation (Z)**

☐ **Bankruptcy (B)**

☐ **Association/Co op (A)**

☐ **Receivership (R)**

☐ **Limited Liability Company**

☐ **Other (Describe)** \_\_\_\_\_

### COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ **APACHE**

☒ **COCHISE**

☐ **COCONINO**

☐ **GILA**

☐ **GRAHAM**

☐ **GREENLEE**

☐ **LA PAZ**

☐ **MARICOPA**

☐ **MOHAVE**

☐ **NAVAJO**

☐ **PIMA**

☐ **PINAL**

☐ **SANTA CRUZ**

☐ **YAVAPAI**

☐ **YUMA**

☐ **STATEWIDE**

COMPANY NAME *EAST SLOPE WATER*

**UTILITY PLANT IN SERVICE**

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements			
307	Wells and Springs	30647	19930	10717
311	Pumping Equipment	189546	109765	79781
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains	142288	133795	8493
333	Services			
334	Meters and Meter Installations	28084	25319	2765
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	9192	6385	2807
341	Transportation Equipment	18133	16368	1765
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	<b>417890</b>	<b>311562</b>	<b>106328</b>

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME EAST SLOPE WATER

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements			
307	Wells and Springs	30647		
311	Pumping Equipment	189546	8	15383
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains	142288	2	3364
333	Services			
334	Meters and Meter Installations	28084	2	674
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	9192	35	3204
341	Transportation Equipment	18133	6	1143
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	<b>417890</b>		<b>23768</b>

This amount goes on Comparative Statement of Income and Expense Acct. No. 403.

COMPANY NAME

EAST SLOPE WATER

**BALANCE SHEET**

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>ASSETS</b>		
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ 13649	\$ 2979
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies	16337	13114
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$ 29986	\$ 16093
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$ 372993	\$ 417890
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	289033	311562
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	<b>TOTAL FIXED ASSETS</b>	\$ 83960	\$ 106328
	<b>TOTAL ASSETS</b>	\$ 113946	\$ 122421

**NOTE:** The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME EAST SLOPE WATER

**BALANCE SHEET (CONTINUED)**

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>LIABILITIES</b>		
	<b>CURRENT LIABILITIES</b>		
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)	39 000	35 000
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	5666	5376
236	Accrued Taxes	2526	2269
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		373
	<b>TOTAL CURRENT LIABILITIES</b>	\$ 47192	\$ 43018
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$ 119 455	\$ 132129
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	29062	30834
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	<b>TOTAL DEFERRED CREDITS</b>	\$ 29062	\$ 30834
	<b>TOTAL LIABILITIES</b>	\$ 195709	\$ 205981
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$	\$
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings		
218	Proprietary Capital (Sole Props and Partnerships)	< 81763 >	< 83560 >
	<b>TOTAL CAPITAL</b>	\$	\$
	<b>TOTAL LIABILITIES AND CAPITAL</b>	\$ 113 946	\$ 122421

COMPANY NAME *EAST SLOPE WATER*

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 177032	\$ 192970
460	Unmetered Water Revenue		
474	Other Water Revenues	2235	1732
	<b>TOTAL REVENUES</b>	\$ 179267	\$ 194702
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$ 45918	\$ 55458
610	Purchased Water		
615	Purchased Power	31153	38424
618	Chemicals		
620	Repairs and Maintenance	13020	23269
621	Office Supplies and Expense	4581	5027
630	Outside Services	1040	140
635	Water Testing	1231	3881
641	Rents	3600	1200
650	Transportation Expenses	4004	4440
657	Insurance – General Liability	3320	3314
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	7892	7615
403	Depreciation Expense	19507	23768
408	Taxes Other Than Income	4358	5165
408.11	Property Taxes	12167	
409	Income Tax	(322)	100
	<b>TOTAL OPERATING EXPENSES</b>	\$ 151469	\$ 171801
	<b>OTHER INCOME/EXPENSE</b>		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses	136	3429
427	Interest Expense	20011	17642
	<b>TOTAL OTHER INCOME/EXP</b>	\$ (20147)	\$ (21071)
	<b>NET INCOME/(LOSS)</b>	\$ 7651	\$ 1830



COMPANY NAME EAST SLOPE WATER

**SUPPLEMENTAL FINANCIAL DATA**  
**Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	Various	5-17-00	Various	
Source of Loan	Wells Fargo LINE OF CREDIT	Preferred CAPITAL	NATHAN WATKINS	
ACC Decision No.				
Reason for Loan		75 HP Pump	old 1st called Due	
Dollar Amount Issued	\$	\$ 18062	\$ 100,000	\$
Amount Outstanding	\$ 58292	\$ 14424	\$ 86535	\$
Date of Maturity		3-17-03		
Interest Rate	14%	18	12	
Current Year Interest	\$ 6466	\$ 1697	\$ 7239	\$
Current Year Principle	\$ 0	\$ 3638	\$ 0	\$

Meter Deposit Balance at Test Year End \$ 24915.08

Meter Deposits Refunded During the Test Year \$ 3805.00

COMPANY NAME EAST SLOPE WATER

## WATER COMPANY PLANT DESCRIPTION

### WELLS

ADWR ID Number	Pump Horsepower	Pump Yield (Gpm)	Casing Size (inches)	Meter Size (inches)
55-805786	20	80	8	3
55-805787	20	100	8	3
55-805788	7.5	40	12	2
55-805789	75	300	10	4
55-553574	3	40	6	N/A
55-558167	3	50	6	N/A
55-551665	5	40	6	N/A
55-551502	2	30	6	N/A

### OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

TOTAL GALLONS PUMPED (NOT SOLD) THIS YEAR (thous.) = UNKNOWN

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
15	2	1	1

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
50,000	1	5,000	3
		3,000	1
		1,000	2
		85	4

## STATISTICAL INFORMATION

Total number of customers 675

Total number of gallons sold 82,481,820 gallons

COMPANY NAME EAST SLOPE WATER YEAR ENDING 12/31/2000

### PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2000 was: \$ 0

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. The cash ear-marked for property taxes was  
used to replace 2 pumps that failed and the county highway dept  
required us to lower/replace a 1/2 mile line. THIS TOOK THE REST OF OUR  
CASH.

COMPANY NAME EAST SLOPE WATER YEAR ENDING 12/31/2000

**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported 651  
Estimated or Actual Federal Tax Liability \_\_\_\_\_

State Taxable Income Reported 651  
Estimated or Actual State Tax Liability 100

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances \_\_\_\_\_  
Amount of Gross-Up Tax Collected \_\_\_\_\_  
Total Grossed-Up Contributions/Advances \_\_\_\_\_

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

Nathan Watkins  
SIGNATURE

5-11-01  
DATE

NATHAN WATKINS  
PRINTED NAME

Manager  
TITLE

COMPANY NAME EAST SLOPE WATER YEAR ENDING 12/31/2000

**WATER AND SEWER  
UTILITIES ONLY**

**PROPERTY TAXES**

Indicate the amount of actual property taxes paid during this reporting period (Calendar Year 2000)

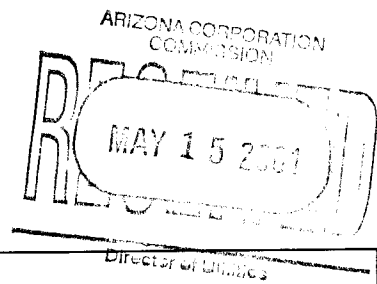
\$ 0

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled Checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain reasons below:

SEE Page 13

**VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only**



**VERIFICATION**

STATE OF ARIZONA  
I, THE UNDERSIGNED  
OF THE

COUNTY OF (COUNTY NAME) <u>COCHISE</u>
NAME (OWNER OR OFFICIAL) TITLE <u>NATHAN WATKINS</u>
COMPANY NAME <u>EAST SLOPE WATER</u>

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION**

**FOR THE YEAR ENDING**

MONTH	DAY	YEAR
12	31	2000

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2000 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 205 806

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 11 104  
IN SALES TAXES BILLED, OR COLLECTED

**\*\*REVENUE REPORTED ON THIS PAGE MUST  
INCLUDE SALES TAXES BILLED OR  
COLLECTED. IF FOR ANY OTHER REASON,  
THE REVENUE REPORTED ABOVE DOES NOT  
AGREE WITH TOTAL OPERATING REVENUES  
ELSEWHERE REPORTED, ATTACH THOSE  
STATEMENTS THAT RECONCILE THE  
DIFFERENCE. (EXPLAIN IN DETAIL)**

Nathan Watkins  
SIGNATURE OF OWNER OR OFFICIAL  
520-458-3209  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

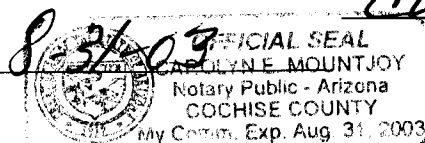
11th

DAY OF

COUNTY NAME <u>COCHISE</u>	
MONTH <u>MAY</u>	20 <u>01</u>

(SEAL)

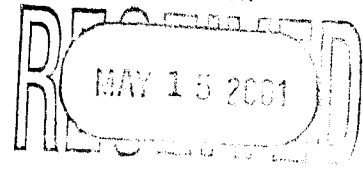
MY COMMISSION EXPIRES



Carolyn E. Mountjoy  
SIGNATURE OF NOTARY PUBLIC

**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
INTRASTATE REVENUES ONLY**

ARIZONA CORPORATION  
COMMISSION



Director of Finance

**VERIFICATION**

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME) <u>COCHISE</u>	
NAME (OWNER OR OFFICIAL) <u>NATHAN WATKINS</u>	TITLE <u>Manager</u>
COMPANY NAME <u>EAST SLOPE WATER</u>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2000</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2000 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 177545

(THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 9843  
IN SALES TAXES BILLED, OR COLLECTED

\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.

X

Nathan Watkins

SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

11<sup>th</sup>

DAY OF

NOTARY PUBLIC NAME <u>CAROLYN E. MOUNTJOY</u>	
COUNTY NAME <u>COCHISE</u>	
MONTH <u>MAY</u>	20 <u>01</u>

(SEAL)

MY COMMISSION EXPIRES

August 31, 2003  
CAROLYN E. MOUNTJOY  
Notary Public - Arizona  
COCHISE COUNTY  
My Comm. Exp. Aug. 31, 2003

X

Carolyn E. Mountjoy

SIGNATURE OF NOTARY PUBLIC